



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Fillmore Field Office

35 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>



IN REPLY REFER TO:
3809 (UTW02000)
UTU-79464-01
UTU-78279

July 1, 2009

CERTIFIED MAIL # 7007 3020 0001 9380 7926

Return Receipt Requested

Stone Resources, LLC
218 West Paxton Avenue
Salt Lake City, Utah 84101

RECEIVED

JUL 09 2009

DIV. OF OIL, GAS & MINING

Dear Mr. Weston:

The Fillmore Field Office is in receipt of your letter dated May 11, 2009. The letter requests:

- Establishing an escrow account to allow operations at the Burgundy, Moll, Smoke and Buckskin quarries;
- Transfer of operations for these quarries from Rocanville Stone Corporation to Stone Resources, LLC; and
- Permission to remove stone on pallets from these quarries.

The purpose of this letter is to outline the current status of the Bureau of Land Management (BLM) case files involved with these operations and identify some of the conflicts in place that make approval of your requests problematic.

Operations at these sites initially began at what we are now referring to as the Buckskin quarry in the south half of the northwest quarter of the southeast quarter of the northwest quarter section 29, T. 18 S., R. 13 W. The operation was authorized by BLM through Notice UTU 78279. This notice expired on January 20, 2007.

On November 16, 2001, BLM authorized exploration on two sites totaling approximately three acres in the south half of section 30, T. 18 S., R. 13 W; one of these sites corresponds to a portion of the Burgundy quarry; this notice expired on November 16, 2003.

On August 20, 2002 BLM authorized Plan of Operations UTU 79464-01, conditioned on establishment of an escrow account, for mining on 4.8 acres within the south half of the northwest quarter of the southeast quarter and north half of the southwest quarter of the southeast quarter of section 30, T. 18S., R 13 W; corresponding to the Burgundy quarry. Operations under this Plan were halted under an Immediate Temporary Suspension Order on November 12, 2008.

On February 27, 2004 BLM received an Amendment to Plan of Operations UTU 79464-01 that would amend operations at the Burgundy quarry and add operations at the Moll, Smoke and Buckskin quarries; BLM rejected this Plan Amendment on April 30, 2008.

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To summarize:

- Operations at the Burgundy quarry are covered under a Plan of Operations that has been properly analyzed by BLM through the National Environmental Protection Act (NEPA), though currently under a suspension order until such time as the mineral examination is completed.
- Operations at the Buckskin, Moll, and Smoke quarries have not been analyzed through NEPA nor does BLM currently have a Plan of Operation under review; the Plan Amendment for UTU 79464-01 that addressed these quarries was rejected April 30, 2008.

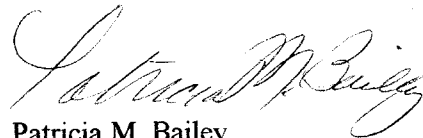
The conflict between your requests and the status of operations at these quarries is as follows:

- BLM must analyze a Plan of Operation under NEPA before allowing operations to occur under an escrow account for the Burgundy, Moll, Smoke, and Buckskin quarries.
- Removal of stone on pallets at these sites would be considered operations and a Plan of Operation must be analyzed under NEPA prior to initiating operations.
- Your request to transfer operations from Rocanville Stone Corporation to Stone Resources, LLC is currently being reviewed.

From various discussions with Stone Resources, BLM understands you have an interest in the use of material that the current Plan of Operation, applicable to the Burgundy quarry, identifies as waste or non-suitable material. This would constitute a significant change to the Plan and further complicates the existing conflict between mineral materials and locatable minerals, as well as, a change in reclamation capabilities. Considering the need to add the sites of the Moll, Smoke, and Buckskin quarries and the change in use of waste, BLM recommends a new Plan/Plan Amendment addressing these issues, and any other changes to operations that Stone Resources anticipates, be submitted to BLM for NEPA review. However, considering the issue between mineral material and locatable minerals, BLM recommends that Stone Resources delay significant investment of time or money in such a Plan/Plan Amendment until resolution of the issue through the mineral examination report and any associated administrative procedures; the mineral examination report is expected to be ready for review in the middle of July 2009.

Should you have any questions please contact Jerry Mansfield, Geologist at, 435-743-3125.

Sincerely,



Patricia M. Bailey
Acting Field Office Manager

cc: Tom Munson, Utah Division of Oil, Gas and Mining, 1594 West North Temple Ste 1210, SLC,
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